RV BUSINESS

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NOVEMBER 19, 1990

1 Detroit Details Van-Seat Rules For Converters

2 Monaco Buys Executive Assets

2 Safari Unveils Isuzu-Chassis Trek Class A

3 Winnebago Offers Gas Rebates

3 Four Winds Emulates Dutchmen

3 Carriage Debuts Cashay Trailers

5 TRVA Show Reports Good Attendance

9 Bivouac Closes, Seeks Credit Extensions

9 Coachmen Orion Renamed 'Clarion'

9 Shasta Fetes 50th Anniversary

NEW COLORS FOR '91

RV makers are attempting to entice this year's elusive buyers with new interior color schemes that have abandoned "dusty" hues in favor of consumer-pleasing blues, teals, plums, mauves and lighter earth tones. See article on page 38.

First WDA/RVDA Convention Achieves Record Turnout

The first triassociation convention ever held by the Warehouse Distributors Association (WDA), RVDA and RVDA of Canada officially was proclaimed a success by all of the organizations and participants on hand Oct. 7-11 in Las Vegas, Nev.

The event, held at the spectacular Mirage hotel, provided each organization with autonomous times to conduct its own business yet overlapping functions where dealers, distributors, suppliers and manufacturers could interact.

Turnout

Attendance figures confirmed the success of the joint convention: Some 1,698 registrants participated in the week-long convention. Of that amount, there were 335 dealerships (and a total of 702 dealer personnel) represented, and Canadian dealerships accounted for 71 of those 335. WDA members made up 404 delegates of the nearly 1,700 in attendance.

The total turnout was the largest number of RV attendees under one roof at an industrywide event in recent years, with the exception of the National RV Trade Show in Louisville, Ky., according to several industry sources. It also represented the largest number of dealers to attend a national

continued on page 10

RVIA Studies Adding MPV Converters

A Nov. 26 meeting of RVIA's board of directors at the National RV Trade Show in Louisville, Ky., will address the controversial question about whether to expand the association's purview beyond traditional RV makers and van converters to upfitters of regular pickup trucks, Blazers, Broncos and a host of other multipurpose passenger vehicles.

It is unclear how the board will vote on a formal bylaw amendment being drawn up by RVIA's staff. Opinions differed

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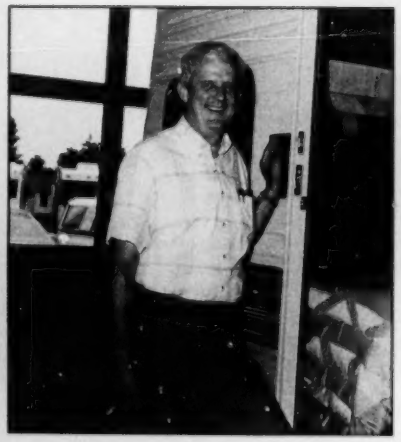

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Louisville Pre-Show Guide ____ 23
This preview of the National RV Trade Show in Louisville, Ky., provides floorplans, exhibitor lists and a full calendar of events for attendees.

Design by Computer ____ 30
Although the RV industry has been slow to embrace computer-aided design and manufacturing (CAD/CAM), more and more leading manufacturers now are exploring the creative and cost-saving opportunities.

The '91 Palette ____ 38
RV manufacturers and designers describe interior color trends in 1991 models. While slow sales have discouraged radical changes, there is a general move to update decors by abandoning "dusty" hues for more vibrant blues and teals, plums and mauves.

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DID SHIPMENTS REACT TO IRAQ?

MORTON J. MARCUS

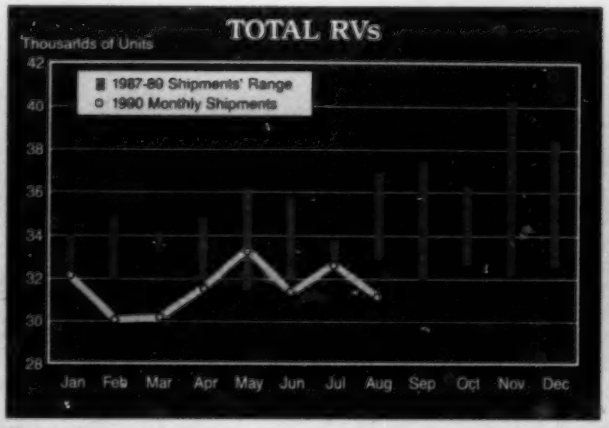


Figure 1

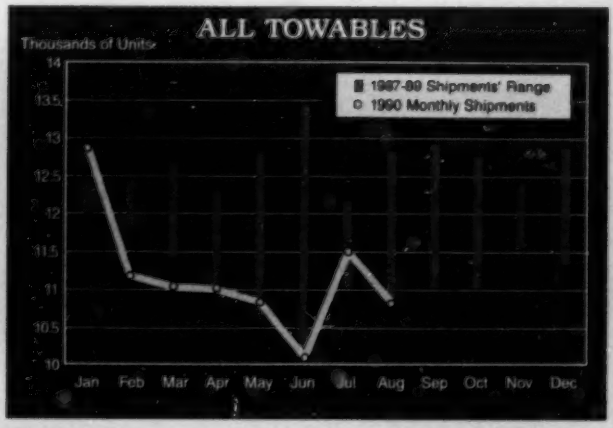


Figure 2

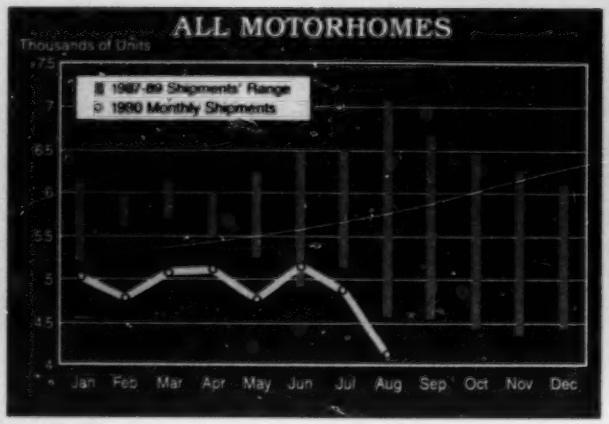


Figure 3

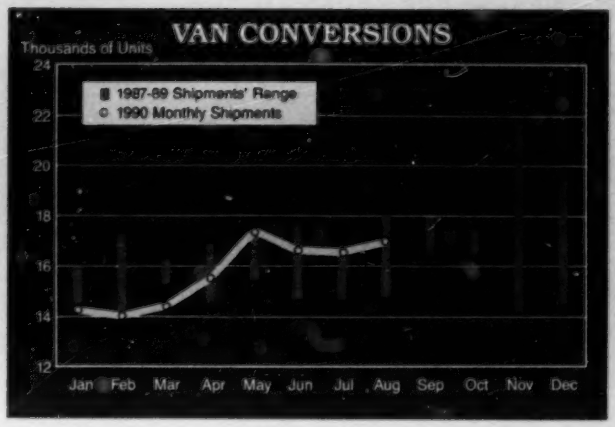


Figure 4

It will come as no surprise that RV shipments were down in August. Early in the month, the effect of the Iraqi invasion of Kuwait became apparent in higher gasoline prices. Concern over even-higher prices grew as the military buildup progressed during the month.

By August's end, it was clear this would not be a Six Day War or short-term Granada-type adventure. Newspapers, radio, television and barbershop conversation all had identified this moment in history as a crisis, a turning point of the decade.

But was the RV shipments decline in August unusual? Did the industry suddenly collapse, or was there just a moderate adjustment? Could it be that the slowdown in shipments was nothing out of the ordinary? We'll try to answer those questions here by using special tabulations based on our historic file of RV shipment data.

No August Surprises

RVIA shipments, adjusted for normal seasonal variations, totaled 31,750 units, down by 3% from July. For the seventh time in the first eight months of 1990, total shipments were below or at the bottom of the three-year range for each month shown in Figure 1. Hence, August was not unusual.

A 3% change for a month is very close to average for total shipments if we look at the record from January 1987 to the present. Over that long period, total shipments averaged a 3.8% monthly fluctuation. Hence, overall, the industry response was less than the average monthly change. At this level of aggregation, the events in the Middle East were not of significance. A look at the detail might, however, show a different conclusion since the process of aggregation might hide the richness of reality.

Reviewing the Record

Towables for August were only slightly

GRAPHICS: CUSTOM COLOR VISUALS

below the three-year range. *(See Figure 2.)* The 5.3% decline from July was above the average 4.5% drop recorded in the past 44 months, but also less than the 7.2% decline of towables in June, although it did reverse the gain of July. Thus, we cannot say conclusively that towables reacted sharply to the military and economic pressures of events in the Persian Gulf.

Motorhomes in August continued below their three-year range. *(See Figure 3.)* That was nothing new. But the August decline of 15.1% was the greatest percent change recorded by the motorhome segment of the industry since January 1987. It was nearly three times greater than the average monthly change (5.3%) for motorhomes. On the surface, August 1990 was an extraordinary month for motorhomes.

Van conversions, in contrast, went in the opposite direction. Shipments of these units were up in August to their second-highest level of the year. Van conversions were above the midpoint for the monthly range established in the past three years. *(See Figure 4.)* Up by 2.2% for the month, van conversions moved against the grain. However, this percent improvement was far smaller than the 6.7% average change recorded for these units in the past 3½ years. Still, the August 1990 record for van conversions was obviously not in line with expectations of reduced shipments due to Saddam Hussein's Mideast adventure.

The Detailed View

When we go deeper into the data, it appears that towables still held a slight lead in relative performance for the year. As noted in Figure 5, towables picked up 1.44 market-share points compared with this point in 1989. Two-thirds of the noted growth came at the expense of motorhomes, which lost 0.97 point; van conversions were down by 0.48.

Year-to-date, conventional travel trailers added the most to the advance of towables. Among the Class C units and Class A units, minis led motorhomes' downward market-share slide.

Van conversions were not the only deviant segment of the market in August. Six of the 11 types of recreational vehicles actually had higher levels of shipments in August than in July. *(See Figure 6.)* Making progress were park models and truck campers among the towables. Class B motorhomes, low-profile Class C and micro-mini Class C units all gained in August compared with July.

Declines were seen in only five of the 11 types in Figure 6. Class C minis led the downward move with a loss of 560 units (a drop of 38.5%), which was the greatest single-month decline in this type of unit since 1987. The 13.6% falloff seen in Class A units was a smaller decline than the drop of 16.5% during July.

Conventional travel trailers fell by 9.3% in August and accounted for 77% of the total drop in towables. But this decrease was on the heels of a 19.4% increase in July, the biggest single-month gain made by these units in 44 months. It does not surprise us to see this decline following such a major gain.

By now, if you are still with us, you may be ready to ask: So what? The answer seems to be: Nothing significant happened in August to RV shipments as a result of the Iraqi incursion. There is no conclusive evidence that August was a sharp turning point in RV shipments. The industry had been weak and highly variable prior to August; August was not an exception to that pattern.

Perhaps we expected too quick a response. Perhaps orders already had been placed, and shipments in August reflected market conditions of earlier months. In that case, we may expect to see the anticipated drop in the data for September. But, given the well-known perversity of this industry, do not hold your breath while awaiting a startling change. Δ

Morton J. Marcus is the director of the Indiana Business Research Center at Indiana University School of Business, where he is also a member of the faculty. Marcus specializes in using statistics to identify economic trends.

PERCENT MARKET SHARE BY TYPE OF UNIT
(Year-to-date, adjusted for seasonal variation)

	1990	1989	Change
TOTAL RVs	100.00	100.00	0.00
Travel Trailers:	24.03	22.82	1.21
Conventional	14.28	13.45	0.84
Park Models	1.95	1.99	–0.04
Fifth-wheels	7.79	7.38	0.41
Folding Camping Trailers	8.57	8.40	0.17
Truck Campers	2.60	2.54	0.06
TOTAL TOWABLES	35.20	33.75	1.44
Motorhomes:			
Class A	8.61	9.31	–0.70
Class B Van Campers	1.66	1.32	0.35
Class C:	5.01	5.62	–0.61
Minis	3.90	4.64	–0.74
Low Profiles	0.20	0.40	–0.20
Micro-minis	0.92	0.58	0.34
TOTAL MOTORHOMES	15.28	16.25	–0.97
Multiuse Van Conversions	49.52	50.00	–0.48

Percentages may not add to total because of rounding.

Figure 5

The industry had been weak and highly variable prior to August; August was not an exception to that pattern.

RV SHIPMENTS BY TYPE OF UNIT
(Adjusted for seasonal variation)

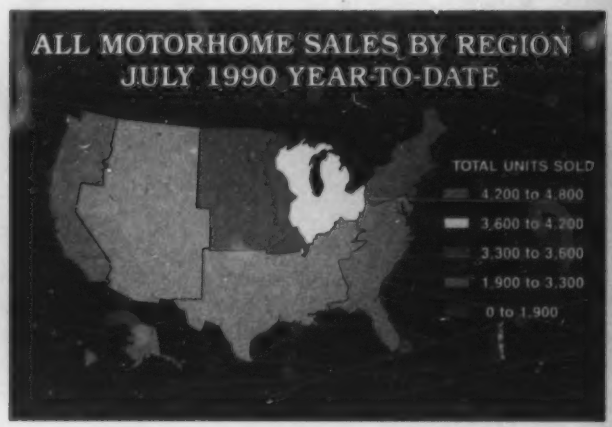
Type of Units	Aug '90	Change From Jul '90 Number	%	Year-to-Date 1990	1989	Change Number	%
TOTAL RVs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Travel Trailers:	7,280	- 520	- 6.7	61,100	60,280	820	1.4
Conventional	4,520	- 470	- 9.3	38,320	35,520	800	2.2
Park Models	620	10	2.1	4,950	5,250	- 300	-5.7
Fifth-wheels	2,150	- 70	- 3.2	19,820	19,500	320	1.6
Folding Camping Trailers	2,720	- 270	- 9.1	21,790	22,180	- 390	- 1.8
Truck Campers	890	190	27.4	6,820	6,710	- 90	- 1.3
TOTAL TOWABLES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Motorhomes:							
Class A	2,250	- 350	- 13.6	21,890	24,610	- 2,710	- 11.0
Class B Van Campers	590	10	1.7	4,230	3,480	750	21.5
Class C:	1,270	- 390	- 23.3	12,750	14,850	- 2,100	- 14.2
- Minis	890	560	- 38.5	9,910	12,250	- 2,350	19.2
- Low Profiles	80	80	n.a.	510	1,070	- 560	- 52.2
- Micro-minis	300	90	45.0	2,330	1,530	800	- 52.4
TOTAL MOTORHOMES	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	
Multiuse Van Conversions	16,750	360	2.2	125,930	132,089	6,160	- 4.7

Note: Data rounded to nearest 10 units.

Figure 6

MOTORHOMES TURN IN WEAKER PERFORMANCE THAN RV TRAILERS

THOMAS WALWORTH



East North Central: Illinois, Indiana, Michigan, Ohio, Wisconsin; **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming; **Northeast**: Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont; **Pacific**: Alaska, California, Oregon, Washington, Hawaii; **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia; **West North Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota; **South Central**: Texas, Oklahoma, Arkansas, Louisiana, Tennessee, Mississippi, Alabama.

According to July 1990 retail registrations, the motorhome market, which does not include sales data from the state of California, was down 11.8% nationwide compared with the first seven months of 1989. In contrast, the RV-trailer market, which does include California numbers, was down 2.4% for the year-to-date.

Motorhome sales, without California data, dropped by 18%, or 733 units, for the month when compared with last July. Listed in Figure 1 are the seven national regions ranked by the percent change in motorhome sales in July 1990 compared with the same month of last year. The Pacific states led the rankings, with Alaska turning in the strongest performance in that region. In the bottom-ranked Northeast, Massachusetts reported the weakest motorhome market.

For the year-to-date, the motorhome market was down by 11.8%, or 3,121 units, when compared with the first seven months of 1989. (Comparisons do not include California.) Listed in Figure 2 are the regional rankings according to the percent of change between 1990 and the same period of last year. The Pacific region topped the list, and Washington state reported the largest increase among those states. The Northeast trailed the pack, with Massachusetts experiencing the largest decline for the year-to-date.

The RV-trailer market in July fell by 5.7%, or 689 units, compared with July 1989. Figure 3 ranks the seven national regions by the percent of change in July trailer sales compared with the same month last year. The Pacific region again was the No. 1 region, and Oregon recorded the largest gain in trailer sales for the month there. The

MOTORHOMES, JULY '90

July '90 Rank	Region	% of Change From July '89	June '90 Rank
1	Pacific	– 9.5	1
2	S. Central	–10.3	3
3	S. Atlantic	–15.9	7
4	Mountain	–20.9	4
5	W.N. Central	–21.1	2
6	E.N. Central	–23.9	6
7	Northeast	–25.3	5

Figure 1

MOTORHOMES, YEAR-TO-DATE

July '90 Rank	Region	% of Change Year-to-Date	June '90 Rank
1	Pacific	– 1.7	1
2	S. Central	– 5.1	2
3	W.N. Central	– 9.3	3
4	S. Atlantic	– 9.7	4
5	Mountain	–12.1	5
6	E.N. Central	–20.0	6
7	Northeast	–22.0	7

Figure 2

RV TRAILERS, JULY '90

July '90 Rank	Region	% of Change From July '89	June '90 Rank
1	Pacific	7.3	3
2	W.N. Central	1.6	4
3	S. Atlantic	– 5.7	6
4	Mountain	– 6.6	2
5	S. Central	– 7.3	1
6	E.N. Central	–12.3	5
7	Northeast	–12.6	7

Figure 3

RV TRAILERS, YEAR-TO-DATE

July '90 Rank	Region	% of Change Year-to-Date	June '90 Rank
1	S. Central	12.8	1
2	Pacific	6.6	3
3	Mountain	6.0	2
4	W.N. Central	– 3.1	4
5	S. Atlantic	– 6.9	5
6	E.N. Central	– 8.6	6
7	Northeast	–16.2	7

Figure 4

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AT RETAIL *from page 18*

Northeast again fell to last place, with Massachusetts having the largest decline.

For the year-to-date, the RV-trailer market was off by 2.4%, or 1,786 units, compared with the tally for the January-July period of last year. Figure 4 shows the regional rankings based on the percent of change in the first seven months of 1990 compared with that same period in 1989. The South Central region was the big year-to-date winner, with Alabama reporting the largest gain in that region. The Northeast states came in last, and New Hampshire had the largest decline there.

Overall, July figures showed that the motorhome market continued to be softer than the RV-trailer market. We can speculate that the RV-trailer market has the advantage of a wider range of prices to offer the consumer, which tends to reduce the barriers to attracting new buyers. The RV-trailer industry also has played up that advantage with increased introductions of lower-priced products in 1990 and 1991, which may have expanded trailer sales. Δ

Thomas Walworth is general manager of Statistical Surveys Inc., Grand Rapids, Mich., which has reported retail statistics for 30 years to the RV industry. Statistical Surveys is an acknowledged leader in the RV statistical field.

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